

Message Text

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SUBJ: VISIT TO KAMAZ WITH SENATOR MONDALE: ENTHUSIASM PLUS MUD

REF: A) MOSCOW 13770; B) MOSCOW 13586; C) MOSCOW 16937

1. SUMMARY: BRIEF VISIT TO KAMAZ WITH SENATOR MONDALE'S GROUP ON NOV 13 PROVIDED VERIFICATION THAT PROJECT IS BEHIND SCHEDULE AND THAT LOCAL PARTY AND GOVERNMENT ORGANIZATIONS ARE INDEED "STORMING" TO SPEED UP CONSTRUCTION WORK. BASED ON STATEMENTS BY TATAR ASSR PARTY CHIEF FIKROM TABEEV DURING MORNING MEETING IN KAZAN WITH SENATOR MONDALE, AND ON REMARKS OF TABEEV AND OTHERS DURING KAMAZ VISIT, IT APPEARS THAT SOVIETS VIEW KAMAZ AS TEST CASE FOR FUTURE COOPERATION WITH US (AND OTHER WESTERN) FIRMS ON SIMILAR INDUSTRIAL PROJECTS. FURTHER, THERE WAS SOME INDICATION, PARTICULARLY FROM TABEEV, THAT THERE IS A DEGREE OF DIS-SATISFACTION WITH PERFORMANCE OF CERTAIN OF THEIR WESTERN PARTNERS. GENERAL IMPRESSION EMBOFF GAINED FROM KAMAZ TRIP, WHICH STRENGTHENED BY LATER DISCUSSIONS WITH SWINDELL-DRESSLER REPS IN MOSCOW, IS THAT SOVIETS MAY BE ATTEMPTING TO ESTABLISH CASE FOR BLAMING WESTERN PARTNERS FOR KAMAZ PROBLEMS. END SUMMARY.

2. NOV 13 VISIT TO KAZAN ASSR BY SENATOR MONDALE AND PARTY
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INCLUDED ONE-HOUR SESSION WITH TATAR ASSR PARTY CHIEF TABEEV AND

OTHER SOVIET OFFICIALS IN KAZAN, FOLLOWED BY FLIGHT TO NABEREZHNIYE CHELNY AND AFTERNOON BRIEFING AND TOUR OF KAMAZ PROJECT. MOST OF MEETING WITH TABEEV IN KAZAN WAS DEVOTED TO DISCUSSION OF KAMAZ. TABEEV CONFIRMED THAT WORK LAGGING BEHIND SCHEDULE AND THAT FULL FORCE OF PARTY IS BEING APPLIED TO SPEED THINGS UP. ONE PROBLEM CITED WAS LACK OF EXPERIENCED WORKERS, MOST OF WHOM ARE UNDER AGE TWENTY-FIVE. RECENT TRANSFERS OF OLDER CONSTRUCTION WORKERS FROM OTHER PROJECTS HAS RESULTED IN SOME COMPLAINTS THAT "FAVORITE SON" KAMAZ IS HAVING OVERALL NEGATIVE EFFECT ON LOCAL ECONOMIC DEVELOPMENT. TABEEV REMARKED THAT SOVIETS LOOK ON KAMAZ AS "KEYSTONE" FOR FUTURE SOVIET-WESTERN COOPERATION ON SUCH LARGE INDUSTRIAL PROJECTS. HE THEN EXPRESSED SOVIET DISSATISFACTION WITH SOME ASPECTS WESTERN FIRMS' PERFORMANCE AT KAMAZ, SPECIFICALLY NAMING SWINDELL-DRESSLER FOR DELAYS IN DELIVERY DESIGN PLANS WHICH HE BLAMED FOR CONSTRUCTION DELAYS. TABEEV QUICKLY CAUTIONED REPORTERS PRESENT (ONOS, WASHINGTON POST; FRIENDLY, NEWSWEEK; AND GALL, MCGRAW-HILL) NOT TO "CREATE FIGHT BETWEEN PARTNERS," AS HE WAS SURE PROBLEMS COULD BE WORKED OUT SATISFACTORILY.

3. SOVIETS INSISTED THAT WITH INCREASED PARTY AND GOVERNMENT ACTIVITY KAMAZ WILL DELIVER FIRST TRUCKS IN EARLY 1976, IN TIME FOR 25TH PARTY PLENUM. ALTHOUGH EXTREMELY MUDDY CONDITIONS PREVENTED MONDALE GROUP FROM ACTUALLY GETTING CLOSE TO MOST BUILDINGS AT KAMAZ, IT APPEARED THAT MUCH WORK STILL NEEDS TO BE DONE TO WINTERIZE THEM. GROUP WENT INSIDE ENGINE PLANT BUILDING WHICH IS COMPLETELY ENCLOSED BUT DOES NOT HAVE HEATING PIPES FULLY INSTALLED. IN SPITE OF PUSH TO GET HEAT INTO BUILDING PLANT, OFFICIALS CONFIRMED THAT ONLY TWO SHIFTS ARE NOW WORKING, DUE TO NIGHTTIME COLD. COMMENTS FROM PLANT AND PARTY OFFICIALS AT KAMAZ, AS WELL AS BRIEF EXCHANGES BETWEEN SENATOR MONDALE AND SEVERAL WORKERS AROUND PROJECT, INDICATED HIGH DEGREE OF ENTHUSIASM AND RESOLUTION TO COMPLETE PROJECT ON TIME.

4. ON QUESTION OF ACCESS TO KAMAZ FOR US SPECIALISTS, TABEEV AND KAMAZ DIRECTOR VASILYEV STATED THAT NO ONE HAD EVER BEEN DENIED PERMISSION TO VISIT SITE. SOME VISITS, HOWEVER, HAD BEEN "TEMPORARILY DELAYED" BECAUSE SOVIETS FELT NO PURPOSE COULD BE SERVED BY REQUESTED TRIP. VASILYEV AGREED THAT IT WOULD BE USEFUL FOR EMBASSY TO HAVE LIST OF AMERICANS AT LIMITED OFFICIAL USE

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SITE, PARTICULARLY WHEN LARGE GROUPS BEGIN TO ARRIVE IN EARLY 1975. ALTHOUGH HE AND OTHER PROJECT OFFICIALS FELT THAT FEW PROBLEMS WOULD ARISE WITH APPROXIMATELY 500 FOREIGN SPECIALISTS AT SITE, SINCE THEY FEEL SUITABLE HOUSING AND RECREATION FACILITIES HAVE BEEN PREPARED, PROPOSAL FOR EMBASSY ASSISTANCE IF NEED ARISES WAS WELCOMED.

5. COMMENT: IN VIEW OF HIGH-LEVEL SOVIET ATTENTION INCREAS-

INGLY DEVOTED TO KAMAZ, AS WELL AS LARGE US INVOLVEMENT AND FINANCIAL COMMITMENT THROUGH EX -IM BANK, IT SEEMS TO US THAT THIS PROJECT MAY WELL SERVE AS MODEL CASE IN SOVIET EYES FOR US-SOVIET COOPERATION. OPPORTUNITIES FOR ASSISTANCE FROM US GOVERNMENT, EITHER THROUGH EMBASSY OR WASHINGTON AGENCIES, ARE LIMITED. WE SHOULD, HOWEVER, CONTINUE PAY CLOSE ATTENTION TO DEVELOPMENTS AND PROVIDE WHATEVER HELP WE CAN TO US FIRMS INVOLVED TO INSURE THAT IF PROJECT IS INORDINATELY DELAYED BLAME CANNOT BE PLACED ON US.

6. EMBOFF DISCUSSED GENERAL POINTS OF KAMAZ VISIT WITH SWINDELL-DRESSLER REPS WORKING IN KAMAZ OFFICE, MOSCOW, DURING NOV 18 LUNCH. THEY EXPRESSED OPINION THAT SOVIETS, AND ESPECIALLY PARTY OFFICIALS, WERE ATTEMPTING ESTABLISH CASE FOR BLAMING WESTERN PARTNERS FOR ANY FAILURES AT KAMAZ, AND CITED AS EVIDENCE WHAT THEY REGARD AS INTENTIONAL SOVIET DELAYS OF REQUESTED VISITS TO KAMAZ BY SWINDELL REPS. SPECIFIC EXAMPLES INCLUDED SOVIET CLAIM THAT FOUNDATIONS FOR SWINDELL SUPPLIED FURNACES HAVE ALREADY BEEN POURED, WHILE SWINDELL REPS BELIEVE THAT THEY HAVE NOT AND THAT THIS IS MAJOR REASON FOR DELAY IN FURNACE INSTALLATION. ALSO CITED WAS SOVIET REFUSAL TO ALTER PLANS FOR FOUNDRY HEATING SYSTEM, AS RECOMMENDED BY SEINDELL ENGINEERS, ON BASIS THAT SYSTEM WAS ALREADY INSTALLED AND CHANGES CANNOT NOW BE CONSIDERED. SWINDELL REPS STATED THEY HAVE HEARD FROM SOVIET CONTACTS AT KAMAZ THAT INSTALLATION WORK ON FOUNDRY HEATING SYSTEM HAS NOT BEEN STARTED. A REQUEST TO VISIT SITE FOR PURPOSE CHECKING PROBLEM WAS TURNED DOWN BY SOVIETS WITH COMMENT THAT "VISIT NOT POSSIBLE AT THIS TIME."
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